

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services Agency	(2) MEETING DATE 6/18/2013	(3) CONTACT/PHONE Janette Pell, General Services Agency Director 805-781-5200	
(4) SUBJECT Request to accept bid results and award a construction contract to Santa Margarita Construction Corp. in the amount of \$2,717,000 for construction improvements at the new Atascadero Library and North County Service Center located at 6555 Capistrano, Atascadero, and approve a corresponding budget adjustment in the amount of \$2,731,101. District 5.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Accept the results of the May 16, 2013 bid opening for the new Atascadero Library and North County One Stop Service Center, located at 6555 Capistrano, Atascadero; 2. Award a construction contract to Santa Margarita Construction Corp. in the amount of \$2,717,000; 3. Instruct the Chairperson to sign the Contract upon receipt of all insurance and bond documents; and 4. Approve a corresponding budget adjustment in the amount of \$2,731,101. A four-fifths vote of the Board is required for item #4. 			
(6) FUNDING SOURCE(S) \$193,000-Library Atascadero Expansion Designation \$214,650-PFF-Libraries \$1,322,751 – Friends of the Atascadero Library \$1,500,000 – North County One Stop Service Center (WBS# 320035)	(7) CURRENT YEAR FINANCIAL IMPACT Atascadero Library Expansion Construction: \$2,019,638 (w / change Order and carpet allowances) North County Service Center Construction: \$1,003,684 (w / change order, carpet and parking allowances)	(8) ANNUAL FINANCIAL IMPACT Total Library project cost estimate: \$3,494,610 Total NCSC project cost estimate: \$1,659,184	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001293		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1213166 <input checked="" type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP Yes	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>10/07/08, 04/07/09, 07/14/09, 04/06/10, 11/09/10, 12/14/10, 02/08/11, 1/10/12, 12/18/12, 04/16/13</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Geoff O'Quest, Administrative Analyst			
(18) SUPERVISOR DISTRICT(S) District 5 -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services Agency / Janette Pell, Director
805-781-5200

DATE: 6/18/2013

SUBJECT: Request to accept bid results and award a construction contract to Santa Margarita Construction Corp. in the amount of \$2,717,000 for construction improvements at the new Atascadero Library and North County Service Center located at 6555 Capistrano, Atascadero California, and approve a corresponding budget adjustment in the amount of \$2,731,000. District 5.

RECOMMENDATION

It is recommended that the Board:

1. Accept the results of the May 16, 2013 bid opening for the new Atascadero Library and North County One Stop Service Center, located at 6555 Capistrano, Atascadero;
2. Award a construction contract to Santa Margarita Construction Corp. in the amount of \$2,717,000;
3. Instruct the Chairperson to sign the Contract upon receipt of all insurance and bond documents; and
4. Approve a corresponding budget adjustment in the amount of \$2,731,101. A four-fifths vote of the Board is required for item #4.

DISCUSSION

In FY 2007-08 the Board approved funding to initiate a project to expand the existing Atascadero Library. A needs assessment and constraints study were completed indicating the strengths and deficits of the existing site. The Library also reviewed two other site options to purchase and modify existing vacant buildings. In 2010 the Board authorized the purchase of a 22,000 square foot facility at 6555 Capistrano Drive with the intent that a portion of the second floor of the building would be utilized for the North County One Stop Service Center.

In 2010 the County and the Friends of the Atascadero Library ("Friends") entered into a Memorandum of Understanding (MOU) that established terms stipulating a shared building with the North County One Stop Service Center ("One Stop"). Under the MOU, the combined construction cost and use of the building will be split 68% Atascadero Library and 32% One Stop. The County and the Friends of the Atascadero Library split the 68% portion of the project cost 50/50.

In December 2012, bids for construction of the combined project were requested. Bids were received on January 26, 2013 and resulted in a bid protest. Based on staff recommendation, your Board rejected all bids and gave authorization to rebid. The project was rebid on April 16, 2013. Seven bids were received on May 16, 2013, with base bids ranging from \$2,717,000 to \$3,111,000. On May 23, 2013 a bid protest was received from Carroll Building Company. The General Services Agency examined the protest and subsequently issued a determination denying the bid protest.

Santa Margarita Construction Corp. has submitted the lowest responsive bid in the amount of \$2,717,000 as well as additive alternates totaling \$359,000. The additive alternates include exterior painting and an expedited construction period of one hundred eighty days. The total recommended award is \$2,717,000 and does not include the additive alternates.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed the construction contract for form and legal effect. The County Library and the Friends of the Atascadero Library have been involved from the early phase of the project. The County Administrative Office provides general oversight of both the Atascadero Library and North County One Stop Service Center projects. As future residents of the One Stop offices, the Assessor's Office, Clerk-Recorder, and Planning and Building have been and continue to be involved in the project. The City of Atascadero Public Works Department and Atascadero Fire Department have been consulted for architectural, zoning and off-site improvement, and life safety requirements. The County Planning Department has issued the project a Categorical Exemption to the California Environmental Quality Act (CEQA).

FINANCIAL CONSIDERATIONS

A budget adjustment of \$2,731,101 is requested to fund the Library portion of the project through construction and closeout. Based on earlier Board action, the North County One Stop Services Center portion of the project is already fully funded.

The budget adjustment to the Library portion of the project does not include the budget for furniture, fixtures, and equipment (FF&E), estimated to be \$400,000. The FF&E cost will be split 50/50 between the County Library and the Friends at the time the funding is needed to make these purchases. This is expected to occur no later than December 31, 2013. A budget adjustment request will be brought to the Board at a later date to add the funding for FF&E to the project.

The requested budget adjustment includes funds from both the Friends of the Atascadero Library and the County. On February 14, 2013, the Friends donated \$1.23 million to the project. The requested budget adjustment adds this total to the project. The remainder of the funding will be obtained as a loan of \$1.5 million from the funding allocated to the North County One Stop Service Center portion of the project.

Before One Stop was combined with the Atascadero Library project, the One Stop project was originally allocated funding from the Capital Project Fund for a more costly stand-alone project, which was to be located in Templeton. Combining the One Stop with the Library project created significant savings; a portion of this savings will be used to repay the loan for construction of the library portion of the project.

This loan will be paid back directly to the Capital Project Fund, from which the One Stop funds were originally allocated. Repayment will be made from the proceeds generated by the future sale of the current library site, and applied 50/50 as a credit to the funding shares of the Friends and the County. An appraisal conducted in April 2010 valued the existing library property on Morro Road in Atascadero at \$1.6 million. Under the MOU between the County and the Friends, if the sale of the current library property falls short of the loan amount owed, the County and the Friends will split repayment of the remaining balance 50/50.

Atascadero Library

Table 1, below, shows the current approved funding, as well as the loan from the One Stop and the funding from the Friends, for a total requested budget adjustment of \$2,731,101.

Table 1.

FUNDING: (WBS #320030)	APPROVED FUNDING	REQUESTED BUDGET ADJUSTMENT	TOTAL FUNDING
Atascadero Library Expansion Designation	\$193,000	\$0	\$193,000
PFF – Library	\$214,650	\$0	\$214,650
Friends of the Atascadero Library	\$91,650	\$1,231,101	\$1,322,751
Loan from North County One Stop Service Center WBS #320035	\$0	\$1,500,000	\$1,500,000
FUNDING TOTALS	\$499,300	\$2,731,101	\$3,230,401

Atascadero Library (continuing)

Table 2 shows the Atascadero Library project expenditures to date and current estimated expenditures, as of April 30, 2013.

Table 2.

EXPENDITURES: (WBS #320030) (04/30/13)	TOTAL PROJECT EXPENSES TO DATE	INITIAL ESTIMATE (01/10/12)	REVISED ESTIMATE	VARIANCE BETWEEN ESTIMATES
Project Administration	\$167,798	\$182,700	\$231,435	\$48,735
Professional Services	\$286,234	\$283,100	\$343,099	\$59,999
Construction (includes Change Order Allowance of \$108,078 and \$64,000 for carpeting)	\$0	\$2,278,600	\$2,019,638	(\$258,962)
Contingencies (includes inflation factor)	\$0	\$593,300	\$445,438	(\$147,862)
Miscellaneous (includes \$400,000 FF&E)	\$4,991	\$455,000	\$455,000	\$0
TOTAL EXPENDITURES	\$459,023	\$3,792,700	\$3,494,610	(\$298,090)

North County "One Stop" Service Center

The following Funding table shows the current approved allocations. The North County "One Stop" Service Center portion of the project is fully funded through construction and closeout. The expenditures table summarizes the North County One Stop Service Center project expenditures to date and current estimate, as of April 30, 2013.

Table 3.

FUNDING: (WBS #320035)	APPROVED FUNDING	REQUESTED BUDGET ADJUSTED	TOTAL FUNDING AVAILABLE
Capital Projects Fund Balance (Continuation of WBS #300048)	\$4,359,400	(\$1,500,000)	\$2,859,400
FUNDING TOTALS	\$4,359,400	(\$1,500,000)	\$2,859,400

Table 4.

EXPENDITURES: (WBS #320035) (04/30/13)	TOTAL EXPENSES TO DATE	INITIAL ESTIMATE (01/10/12)	REVISED ESTIMATE	VARIANCE BETWEEN ESTIMATES
Project Administration	\$52,403	\$91,200	\$105,147	\$13,947
Professional Services	\$106,592	\$119,900	\$127,580	\$7,680
Construction (includes Change Order allowance, \$91,244, \$27,000 carpeting, \$16,000 parking)	\$0	\$1,111,100	\$1,003,684	(\$107,416)
Contingencies (includes an inflation factor)	\$3,951	\$281,900	\$260,273	(\$21,627)
Miscellaneous	\$0	\$162,500	\$162,500	\$0
TOTAL EXPENDITURES	\$162,946	\$1,766,600	\$1,659,184	(\$107,416)

RESULTS

The renovation of the existing building at 6555 Capistrano will almost double the size of the existing library facility, providing better long term library services to the community. The One Stop Service Center will provide expanded services

to the public, and invests in a County owned facility. The extended life of the new facility, services, and accessible location contribute to the County's communitywide results of a livable and well governed community.

ATTACHMENTS

1. Atascadero Library Vicinity Map
2. 06-18-13 Attachment A – Chronology of Board Actions